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Report Highlights:

U.S. agricultural, fish, and forestry exports to Indonesia reached \$1.6 billion in CY 2007 and is expected to approach \$2.3 billion in 2008. In recent years, a stabilized macro-economic situation and business climate has provided excellent opportunities for U.S. food and agricultural exports to the rapidly growing Indonesian retail, food service, and food processing sector.

Includes PSD Changes: No
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Annual Report
Jakarta [ID1]
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I. MARKET OVERVIEW

In recent years, a stabilized macro-economic situation and business climate has provided excellent opportunities for U.S. food and agricultural exports to the rapidly growing Indonesian retail, food service, and food processing sector. Despite the recent situation affecting global financial markets, Indonesian GDP growth is projected to remain above six percent in 2008 and growth in consumption – despite an expected slowdown – should remain relatively strong.

Beyond 2008, economic and financial factors that will affect U.S. food and agricultural exports to Indonesia include access to trade financing, commodity prices, the stability of the Indonesian currency (rupiah), comparative exchange rates from competitor countries, government policy on fuel subsidies, trade regulations, and implementation of regional free trade agreements.

The growth in U.S. food and agricultural exports to Indonesia over the past 10 years has been remarkable. After reaching a low of \$498 million in 1998, U.S. agricultural, fish, and forestry exports to Indonesia reached \$1.61 billion in 2007 and is expected to approach \$2.3 billion in 2008. Calendar year 2007 data showed that Indonesia is the eight-largest export market for U.S. agricultural product. U.S. exports in all three sectors – bulk, intermediate and consumer-oriented – will reach record levels in 2008. This will make Indonesia one of the fastest growing emerging markets in the world for U.S. food and agricultural products.

The majority of Indonesians are Muslim, so products produced according to halal requirements sell best. In addition, a growing number of Indonesians have been exposed to developed-country diets and trends, making these different food products more popular. In addition, a rapidly growing trend is the demand for healthier foods – especially those fortified with vitamins and minerals.

In terms of constraints, factors affecting trade include widespread corruption, lack of an efficient and transparent legal system, conflicting and non-transparent rules, inconsistent enforcement of regulations, and lack of infrastructure including port facilities and cold chain facilities.

The Government of Indonesia (GOI) has made efforts to address some concerns. Since December 2007, GOI has implemented the National Single Window (NSW) to push the movement of exported and imported products at the port. The NSW system requires all related government institutions to coordinate the process to clear exported & imported goods through an electronic system. A pilot program has been conducted for ten food, beverage, and drug importers and involving the National Agency for Food and Drug Control (BPOM) and Customs at Tanjung Priok port in Jakarta. BPOM, Custom at Tanjung Priok, Foreign Trade Ministry of Trade, Agriculture and Fish Quarantine are conducting a further roll out for 100 importers that initiated in April 2008. Once that pilot program is successful, GOI plans to roll out the NSW system to Tanjung Priok port in Jakarta, Tanjung Emas port in Semarang, Tanjung Perak port in Surabaya, Belawan port in Medan and Soekarno Hatta airport in Jakarta. The NSW system is planned to link with Asean Single Window (ASW) in 2009 and all Asean countries will link completely in 2012.

Market Opportunities

- Indonesia's population of 224 million in 2007 is relatively young with almost 20 percent of the population between 15-24 years, and another 18 percent is between 25-34 years. Nearly 59 percent of the population lives on Java and accounts for 60 to 65 percent of consumer good sales. Java also has the best infrastructure although urban areas in Sumatera, Bali, and Sulawesi are developing.
- Upper and middle-income groups combine to represent about 10-15 percent of the population, equal to about 22-33 million people. Most of these people live in major urban

areas. This population, which includes a number of working in the oil and gas industry, banking and finance, mining, industrial, hospitality, and consultant industries, consume imported products.

Table1. Population number in major urban areas (estimated)

City	Island	Population (million)
Jakarta & surrounding	Java	12.5
Surabaya	Java	3.0
Yogyakarta & surrounding	Java	1.8
Bandung	Java	2.0
Semarang	Java	1.3
Medan	Sumatera	2.1
Palembang	Sumatera	1.5
Makassar	Sulawesi	1.5
Manado	Sulawesi	1.0
Bali	Bali	1.6
Balikpapan and Samarinda	Kalimantan	1.0

- The population has become increasingly literate and Westernized during the past decade due to the number of Indonesians who have studied and traveled abroad; easier access to international media to include the internet and cable television; expansion of modern malls in major urban areas; and dramatic growth of major international hotel, restaurants, quick serve restaurants, and bakery chains and foreign tourist arrivals.
- Demand for imported food ingredients is growing. Food manufacturers are continually developing new products, in particular to cater to the popular habit of snacking, which is a part of Indonesian culture and promoted in the media.
- The Indonesian consumer is very price conscious and susceptible to economic swings, particularly the middle and lower level income groups. Overall, customers tend to prefer purchasing imports in smaller, less expensive packaging.
- More urban women are entering the workforce and choosing to stay there after marrying and having children. With less time available for shopping and cooking, more urban women are basing purchasing decisions on convenience.
- The number of kitchen appliances throughout the country is relatively low. In 2005, 19 percent of households had a refrigerator (33.7 percent of urban households and 8.1 percent of rural households), about 10 percent of Indonesians used Liquefied Petroleum Gas (LPG) (17 percent of urban and 4 percent of rural households) and 2 percent use electricity for cooking. The remaining households used kerosene stoves and fire wood. Following GOI reduction of the fuel subsidy in 2008, more households switched from kerosene to LPG.
- During both Muslim and Chinese holiday seasons, consumer spending increases. The most important holiday seasons are Ramadan (the month-long Muslim fasting period in which food consumption goes up significantly), Lebaran or Idul Fitri (Muslim celebration at the end of Ramadhan), and Chinese New Year. Indonesians consume significantly greater amounts of flour, sugar, eggs, baking ingredients, poultry, meats, cheeses, cakes, cookies, pastries, and fresh and dried fruits during these holidays.
- Even though Christmas is celebrated by less than 10 percent of the population, stores take advantage of the season and decorate and promote festive foods such as special fruits, sweets, and pastries. Other western celebrations such as Valentine's Day, U.S. Independence Day, and Halloween have also become trendy among upper-scale restaurants in Indonesia.

ADVANTAGES AND CHALLENGES FACING U.S. PRODUCTS IN INDONESIA	
Advantages	Challenges
Market size - Indonesia has a population of around 224 million people.	Weak purchasing power of the majority of the population.
An expatriate population of about 60,000 (50 percent of it is Korean, followed by Japanese, U.S., Taiwanese, and Australian) in Indonesia buys imported goods. In Jakarta, 50 percent of expatriates are Korean.	Muslims, who account for almost 90% of the population, require halal-certified products.
Applied duties on most food and agricultural products are 5% and 10% on certain processed foods during 2006 and 2009.	Import regulations are often complex and non-transparent, thus requiring close business relationships with a local agent. Getting an ML number (registration number) for imported retail packaged food products is also complicated but required
The distribution system on the island of Java is improving, providing increased access to a population of 133 million.	Infrastructure outside of the main island of Java, including ports and cold storage facilities, is poorly developed.
U.S. food products have a reputation for quality.	Third-country competition and promotion remains strong, especially from Australia, New Zealand, and China. Food product imports from Malaysia, Philippines, and Thailand are also growing.
Indonesia also does not produce sufficient quantities of beef, dairy products, tree nuts, temperate zone fresh fruit and vegetables, and pet food	
The food processing industry is constantly creating new products to accommodate Indonesian taste preferences	Bilateral free trade agreements with other countries encourage import of more lower-priced products, particularly from China
Distribution and availability of imported products is expanding due to the rapid growth of the modern supermarket sector, western restaurant chains and bakeries, a well-developed tourism industry, and stable exchange rate against the U.S. dollar	Consumers tend to require smaller package sizes and importers tend to require smaller shipment sizes, making it difficult for some companies to ship to Indonesia, unless products are transshipped through another Asian port or a consolidator is used.

II. EXPORTER BUSINESS TIPS

Business Customs

- It is strongly suggested that a local agent be used for products packaged for retail sale. Agents will register imported products in order to obtain an import registration (ML) number. Since only an importer may obtain a ML number for each product, choosing a local agent is a very important decision. Other considerations for agents are discussed in the Entry Strategy sections, but principles to keep in mind when choosing a local agent are:
 - Conduct careful, detailed research in order to confirm claims. Prospective representatives who claim connections to important people should be treated with extreme caution. Such connections are not necessary - commercial acumen is of greater value in the market.
 - Do not grant exclusive rights to a local representative until after working with them in order to gain a clear understanding of their capabilities.
 - Pay attention to accounting standards applied in the preparation of reports supporting the financial standing of a potential representative or partner.

- Most importers also act as distributors, whether as exclusive agents or as consolidators, and have offices or local distributors in major cities all over Indonesia.
- Educate the importer, the retailer, and the consumer about your product. Exporters should not assume that Indonesian companies know how to promote, handle, and prepare imported products. Food processors often require assistance developing products using imported food ingredients. Support your importer, distributor, and agent by maintaining product quality
- Market research, especially for product testing, price comparison, and adjusting the product for local tastes is important. Importers, distributors, food service providers, and retailers can help with market research as well as understanding government regulations, which is critical.
- While quality and price are important, they are secondary to the personal interaction with business partners. Face-to-face meetings are very important to Indonesians, though younger importers are more comfortable with establishing their relationships via electronic communication. Exporters usually must visit Indonesia 2-3 times before details are finalized.
- One place to start if considering exporting to Indonesia is Singapore. Shipments to Indonesia and Singapore can be combined and first sent to Singapore. The Indonesian market tends to require smaller shipment sizes than may be cost-effective to send to Asia and shipping times from Singapore are short. Singaporean agents, importers, distributors, and retailers are sophisticated and understand the Indonesian market well.
- Product should be packed and shipped for a tropical climate and have clear storage instructions. Few cold storage or air-conditioned facilities and delivery trucks exist. Sometimes stores turn off cold storage facilities at night to conserve energy.

General consumer tastes and preference

- The majority of people still prefer fresh foodstuffs, which are readily available in their neighborhood at affordable prices. Healthy eating is becoming more popular among educated consumers and featured by newspaper, magazine, and television. Fresh food, fruit juices, fruit concentrated-based beverages, organic foods, sugar-free confectionary, packaged food with higher fiber content, dairy products, vitamin and calcium fortified packaged food and beverages are also preferred by middle to upper-income consumers.
- Traditional and modern snack foods, such as confectionary, pastries, cakes, biscuits, ice cream, or sweet and savory snacks are very popular among Indonesians.
- Local flavors are preferred and local food manufacturers are exploring opportunities to produce new products using a combination of local and imported flavors.
- Frozen foods and instant noodles, which are preferred and easy to prepare for children, are popular among working mothers.
- Smaller package sizes are preferred due to convenience and price considerations.
- Consumer are showing a preference to food additive, high amount of MSG, fat, salt, and preservatives in packaged food.

Food Standards and Regulation (FAIRS Report ID8022) & Export Certificate FAIRS Report (ID8024)

- According to Indonesian regulations, imported products packaged for retail sale must be registered with the National Agency for Drug and Food Control to obtain a ML number. The

registration process can be lengthy, bureaucratic, and costly, so it is best to use a local agent.

- Food labeling is required. Requirements for labeling of food products are broad in scope. At the end of 2003, the head of BPOM published guidelines food labeling. However, many of these requirements are still not enforced. Halal certification and labeling is not mandatory at this time but these guidelines are also under review. Given that almost 90 percent of the population professes the Islamic faith, it is highly recommended that halal certification be obtained. U.S. Islamic Centers must approved by the Indonesian Muslim Council (MUI) to issue halal certificates.
- All beef and poultry products and animal-based food products must be certified halal and the products must originate from slaughterhouses that have been approved by Indonesian veterinary and religious (halal) authorities. Also, each imported meat shipment requires prior approval by the Ministry of Agriculture. The Indonesian government does not issue permits for imports of U.S. poultry parts, but recently issued regulations allow imports of mechanically deboned (MDM) poultry meat.
- Imported table grapes must be produced in a pest free area. In The United States, only the state of California has been declared by the government of Indonesia as an area which is free from *Ceratitis capitata*. Fresh fruit and vegetables, except table grapes originating in California, must be treated prior to shipment or subjected to in-transit cold treatment.

General import and inspection procedures

- Effective September 2007, Customs tightened the verification, auditing, and inspection procedures of imported products to prevent the entry of imports with unsupported documents. The action was taken to address problems regarding customs procedures and valuation and the irregular and non-transparent fees required getting shipments released. In addition at the end of 2007, GOI established its National Single Window program to improve the process for reviewing export and import documentations.
- Indonesian bound tariff rates on major food and agricultural items generally range from 5 to 40 percent. Import duties for a number of processed food products range from 5 to 15 percent. The duty applied to all imported alcoholic beverages is 30 to 150 percent.
- The government levies a 10 percent value-added tax on the sale of all domestic and imported goods. A regulation in early 2007 stated that value added tax is exempted for certain strategic products, such as corn, meat, poultry, egg, and fresh milk. A luxury tax ranging from 40 to 75 percent is also levied on alcoholic beverages. For imports, these taxes are collected at the point of import and are calculated based on the landed value of the product, including import duties. Sales tax is 2.5 percent and excise for alcoholic beverage and alcoholic concentrate ranges between Rp.2,500-50,000/liter (approximately 25 cents to \$5), depending on the percentage of ethyl alcohol content.

III. MARKET SECTOR STRUCTURE AND TRENDS

A. Retail Sector

Market Overview

Modern retail outlets in urban areas with refrigeration and storage facilities provide good prospects for imported U.S. food products. In major urban areas throughout Indonesia, traditional markets are being replaced by modern hypermarkets, supermarkets, and mini markets as a destination for buying packaged foods.

Carrefour stimulated the rapid growth of modern retail in Indonesia, combining a shopping atmosphere with attention to entertainment and lifestyle. Carrefour is responsible for the highest sales of modern retailers since 2007. In 2008, Carrefour bought Alfa Supermarket in 2008 and changed these locations into Carrefour and Carrefour Express outlets. In addition, Makro Indonesia was recently bought by the Lotte group of Korea.

Although many large retailers are engaged in major expansion projects - including foreign retail giants Carrefour, Giant, and Delhaize (Lion Superindo) - national and local modern retail chains are developing in both primary and secondary cities all over Indonesia. One trend among retailers is to change the old perception of its supermarket by redesigning the store or building a new brand because of the competition with retail giants. Examples include Foodmart (former Matahari), Alfa Midi (Alfa group), and Orange Mart (Ramayana group). These retailers have especially focused on fresh food products. Mini-markets and small mini-markets attached to gas stations are growing as well. It is common for modern retail companies - such as Matahari group, Ramayana group, and Hero group - to have more than one format, including hypermarkets, supermarkets, minimarkets, drug stores, and department stores.

Table2. Number of Modern Retail Outlets

Description	2003	2004	2005	2006	2007
Supermarket	900	960	1,140	1,310	1,380
Hypermarket	40	70	80	100	120
Mini market	4,080	5,600	6,470	7,350	8,890

Source: AC Nielsen

Despite the rapid growth of modern retailers, formats such as traditional markets, modest kiosks, and street vendors continue to dominate - even in major urban areas. These markets typically sell fresh local vegetables, fresh fruits, fresh meats, fresh poultry products, as well as traditional home-made products. Home-made products are usually made from local products - though soybeans for tempe and tofu; and beef offals for bakso (meatballs) - are usually imported. These traditional retailers can accommodate Indonesians whose incomes are limited.

Table3. Percent Market Share of Modern Retail and Wet Markets

Year	Modern Outlets	Wet Markets
2000	21.8	78.1
2001	24.8	75.2
2002	25.1	74.8
2003	26.3	73.7
2004	30.4	69.6
2005	32.4	67.6
2006	34.0	66.0

Source: AC Nielsen

Table4. 2007 Sales of soft drinks and other beverage products by retail sector

Products	Volume (million liter)	Value (Billion Rp.)	Volume growth (%)	
			2006	Annual 2007-2012 (est.)
Bottled Water	11,180	9,370	10.4	7.5
Asian specialty drinks	920	5,450	11.0	7.5
Ready to drink tea	920	5,200	11.2	7.9
Carbonates	500	3,420	9.7	1.9
Functional (Sports) drinks	240	3,260	20.9	12.3
Fruit and vegetable juices	90	540	10.8	4.5
Concentrate	70	4,660	18.1	2.5
Ready to drink coffee	6	80	19.0	16.0

Source: Euromonitor

Most supermarkets, hypermarkets, and wholesalers buy their imported fresh fruit, meat, and processed foods from dedicated distributors and agents. Others import perishable products using multiple agents who purchase directly from foreign suppliers. This trend is expected to expand in the near future. For some national chain outlets with stores in outlying secondary cities, it is easier to purchase domestic items locally rather than shipping product from headquarters in Jakarta. Private label repacked bulk products such as flour, sugar, rice, mung-beans, peanuts, egg, frozen foods, traditional snacks, bakery products, and local fresh fruit and vegetables can be found in foreign and national chain outlets.

Table5. Retail & Food Service Sales of Package Food in 2007

Product	Volume		Value (Trillion Rp)
	Food Service	Retail	Retail
Baby food ('000 ton)	0	150	11.5
Bakery products ('000 ton)	700	890	16.7
Canned/preserved food ('000 ton)	3	50	1.7
Chilled processed food ('000 ton)	0	10	0.6
Confectionery (000 ton)	8	190	11.8
Dairy products (not countable)	-	-	16.5
Dried processed food ('000 ton)	1,970	5,760	37.4
Frozen processed food ('000 ton)	6	40	2.4
Ice cream (million litres)	50	80	2.2
Noodles ('000 ton)	230	1,150	12.2
Oils and fats ('000 ton)	760	570	6.9
Sauces, dressings and condiments ('000 ton)	240	260	4.2
Spreads ('000 ton)	3	10	0.6
Sweet and savoury snacks ('000 ton)	60	270	7.1
Meal replacement products, Pasta, Ready meals, Soup ('000 ton)	2	6	0.3

Source: Euromonitor

Future Trends

Modern outlets are expected to continue to grow as consumer preference for comfortable shopping spaces, a complete range of goods, a consistent quality of products, competitive prices, correct weight, good service, and easy accessibility. The presence of bakeries, snack outlets, and other

food specialty outlets in big cities also provide shopping alternatives for consumers. Consumers are adjusting to paying higher prices for imported and local food products. However, since most spend a significant portion of their income on food, the average Indonesian consumer is not an important buyer of imported products due to their low purchasing power. The imported products they purchase will be in small quantities and few in number. They will remain very selective in their choices, looking for branded products advertised at affordable prices. There is growing interest in the nutritional aspects of food products and the trend is a preference for healthier food instead of canned food. Also, more women are working outside of home and are looking for ready-to-cook and ready-to-eat foods.

Opportunities for specialty supermarkets will also continue to grow in the major urban areas catering to local consumers with higher incomes, expatriates, and consumers who prefer halal. However, the convenience retailers offer to the consumers is limited by the increased cost of electricity and reduced subsidies for fuel prices. In addition, disagreements over trading terms continue among retailers, suppliers of modern outlets, and the government.

Entry Strategy

Using an agent is the best strategy for exporting to Indonesia, but determining the best agent will depend on the product target market.

The volume of specific imported products is relatively small when compared to the size of the country and regulations can be confusing. The best way to overcome the hurdles associated with exporting to Indonesia is to select a local agent. An agent should be chosen based on his ability to assure the widest distribution of products and the ability to undertake the marketing efforts necessary to create awareness for products among consumers. The agent should also be responsible for obtaining a ML number.

Depending on the product and intended market, appointing a supermarket as agent and exclusive distributor is best, particularly for gourmet and specialty upscale products not likely to generate sufficient volume. Nevertheless before the decision is made, it is recommended that initial sales efforts to Indonesia should include discussions with potential agents as well as with key retailers to determine the best local partners.

Best Market Prospects

Best market prospects for U.S. suppliers include fresh fruit, beef offal, frozen french fries, frozen vegetables, confectionery, potato chips, popcorn and other snack foods, sauces and seasonings, and salad dressings. Niche markets exist for frozen meat and poultry, delicatessen items, cooking oils, breakfast cereals, pasta, tomato paste, and non-alcoholic beverages.

B. HRI Food Service Sector

Market Overview

The Indonesian HRI sector is extremely diverse, consisting of hotels and restaurants that serve local and international cuisine, fast food outlets, cafés and bars, small restaurants, street-side open air restaurants known as *warungs*, and vendors that sell food to customers on the street. Catering operations serve airlines, factories, private social functions, cruise and military ships, mining and oil operations with expatriate staffs, prisons, and hospitals. The sector is concentrated in the urban areas, with Jakarta having the highest number of food service outlets, followed by Surabaya, Bandung, Bali, Medan, and Makassar. In the past few years, the HRI industry in other

tourist and business destination cities is developing, such as in Yogyakarta, Semarang, Pekanbaru, Palembang, Batam, and Balikpapan.

In the HRI sector, four and five-star hotels catering to the tourist industry and up-scale restaurants including cafés and bars specializing in Western and other non-Indonesian foods are dominant users of imported food products. Local caterers and restaurants tend to purchase local products.

The number of foreign tourists remains stable, but it is expected to increase because the U.S. government lifted its travel warning for Indonesia. Bali remains the most visited tourist destination in Indonesia. During 2000 to 2006, Singapore, Malaysia, Japan, Australia, South Korea, and Taiwan accounted for the highest tourist arrivals by nationality, followed by United Kingdom, Australia, Germany, China, Netherlands, and France.

Table6. Indonesian Tourism Indicators

Description	Year					
	2002	2003	2004	2005	2006	2007
No. of foreign tourists (mil)	5.0	4.5	5.3	5.0	4.9	5.5
Revenue (US \$bill)	4.3	4.0	4.8	4.5	4.4	5.3
Occupancy Rate (%)	44	45	45	45	45	na*
Number of hotel rooms	260,000	263,000	273,000	280,000	285,530	na*

Source: Central Bureau of Statistic-Indonesia

*na =not available

Over the past few years, more foreign and locally-owned boutiques and resort hotels have been built in Bali and in other tourist destinations, such as Yogyakarta. New hotels are being constructed in other Indonesian cities to accommodate business visitors, MICE (Meetings, Incentives, Conferences, and Exhibitions), and local cultural events. Specialist coffee shops, tea shops, as well as franchise and independent cafes are developing in the large cities as a place for business meetings and socializing.

The rapid expansion of franchise restaurants such as fast food chains, casual dining cafés, international and family style restaurants, and food courts in various cities is expected to increase demand for imported food products. International franchise outlets have a relatively strong presence while local restaurant and bakery franchise outlets are also increasing. The number of restaurants has increased in conjunction with the proliferation of new shopping malls and office buildings in recent years.

Western style fast food outlets purchase imported food, but the variety is limited to such items as frozen french fries, mozzarella cheese, and condiments. Restaurants serving noodles, Japanese food, pizza, and fried chicken, as well as bakery product outlets and coffee houses are prominent and tend to use imported frozen potato products, dressings, sauces, whipping cream, bakery ingredients and mixes, delicatessen products, and various coffee ingredients, such as creamer, honey, and flavorings. Most Korean restaurants in Jakarta would prefer to serve U.S. beef. Local restaurants offering traditional food use beef offal.

Permanent and non permanent independent street stalls and kiosk are easily found through out Indonesia and sell various local dishes such as fried noodle and rice, ketoprak (containing tofu, rice cake, vegetables, soy sauce), somay (containing fish balls, potato, tofu, vegetable, peanuts), bakso (soup containing meat balls, noodles), soto mie (soup containing noddles), sate (chicken or

goat meat), martabak (containing egg, flour and cheese), hot dog, burgers, fried chicken, and kebab (containing meat).

Caterers are typically small to medium-sized private enterprises that serve factories, mining and oil operations, offices, schools, hospitals, company events, private social functions, and weddings. Imported products used by caterers tend to be beef offal, fresh fruit, vegetables, dressings, and bakery ingredients and mixes.

Table7. Food Service outlets

Description	2007		2006 Growth		Annual Forecast Growth 2007-2012	
	No of Outlets	Value (Rp.billion)	No of Outlets	Value	No of Outlets	Value
Cafes and bars (Chain & Independent)						
Specialist Coffee Shop	320	915	18.7	28.0	8.9	9.8
Other Cafe	2,710	22,830	4.6	14.5	2.8	4.6
Full-service restaurants (Chain & Independent)						
European	290	2,210	6.2	11.6	3.4	3.7
North American	620	2,800	9.7	18.8	4.6	6.4
Latin American	30	170	6.3	15.5	5.3	11.0
Middle Eastern	30	100	4.0	20.0	3.6	15.0
Asian	93,190	197,540	2.5	17.5	1.1	8.6
Pizza	350	3,070	2.0	5.9	6.7	4.4
Others	400	2,600	8.0	19.4	5.0	15.4
Fast Food (Chain & Independent)						
Bakery products	800	570	6.3	40.4	5.9	17.3
Burger	330	1,650	7.1	7.5	3.6	4.0
Chicken	850	2,660	8.5	13.7	3.0	7.0
Ice cream	160	100	5.2	7.5	4.5	3.0
Middle Eastern	20	40	9.5	14.0	7.5	5.9
Asian	1,360	3,770	8.2	14.0	7.2	8.7
Convenience Store	30	10	0	8.0	3.3	2.5
Traditional food seller						
Street Stalls and Kiosks	86,100	10,390	4.6	16.4	2.1	3.8

Source: Euromonitor

Eating outside of the home is a common activity across all levels of income. Indonesians dine out with colleagues or for business luncheons in standard Western food service outlets. Eating out as a

family every weekend is done by a smaller number of Indonesian, but is becoming increasingly popular.

Future Trends

The lifting of travel warning by the U.S. government in May 2008 is expected to increase the number of individual tourist arrivals, meetings, conferences, and exhibitions. In addition, more Indonesians are traveling throughout the country following efforts by the HRI industry to target domestic tourists and reductions in airfare. As a result, further expansion of chains and independent restaurants should continue.

Entry Strategy

Most imported products for the HRI industry enter Indonesia by a local agent. A reputable importer or distributor can represent imported products, obtain the import licenses, and have knowledge of customs clearance procedures required to successfully bring in products and distribute the products all over Indonesia.

Jakarta and Bali remain the ideal locations to target the HRI food service sector. These cities have a large number of five star hotels and up-scale restaurants that purchase imported goods to cater to a sizeable expatriate community, a large number of foreign visitors, and higher income consumers.

Best Market Prospects

Best market prospects for U.S. suppliers include duck, turkey, seafood, french fries, bakery ingredients, sauces and seasonings, oil and vinegars, cereals, canned seafood, canned food, fresh fruits, soft drinks, juices, tree nuts, ice cream, snacks, beer, reasonably-priced wines, liquor, beef and beef offal.

C. Food Processing Sector

Market Overview

Indonesia offers significant market potential for U.S. suppliers of food and ingredients to the local food processing sector. In 2005, the output of the Indonesian food processing industry was \$23.9 billion, up 13 percent from 2004. It is comprised of about 4,700 large and medium-scale industries ranging from family businesses to multinational companies, 77,200 small-scale businesses, and 834,000 home-based producers that sell in traditional *warungs* or as street vendors. Large and medium-scale industries, which include family owned businesses to large multinational companies, account for 85 percent of the food industry output and about one fourth of the 3 million employees in the industry. Large-scale food processors use halal-approved production methods and have certificates approved by MUI.

The growth of the food-processing sector can be attributed to the introduction of new food products, aggressive promotional activities, growth of modern retail outlets, customer sophistication, and growing health consciousness. In the future, more consumers are expected to make purchasing decisions based on health and wellness concerns and mostly in the form of fortified foods. More processors are finding they can add value by fortifying their products. Currently dairy products, noodles, biscuits (cookies), and frozen processed chicken are vitamin fortified food products and endorsed by other health related non government organizations, such as the Indonesian heart and cancer associations. Sales of sports drinks are also expected to grow.

The variety offered in packaged foods is increasing including frozen poultry products, frozen seafood products, sausages, sugar confectionery, instant noodles, savory snacks, dairy drinks, and soft drinks. New brands of unique with localized flavored products are also growing. Smaller, ready to eat packages with a lower purchase price attract more consumers.

Soybean-based products, such as tofu, tempe, and soy milk packed in a transparent plastic bag, are produced in homes and sold in traditional warungs, street food vendors or door to door. Beef heart is also popular among these sectors for use in making meatballs to be sold by traditional warungs and street food vendors.

The noodle industry contributes 50 percent of Indonesian wheat flour consumption followed by the bakeries (25 percent), biscuit procedures (15 percent), fried meals producers (5 percent), and households (5 percent). Approximately 90 percent of wheat flour used by the bakery industry is for lower and middle scale bakeries.

Table8. Popular processed food products with highest sales in retail outlets during 2007

Product type	Processed food
Baby food	Toddler milk formula
Baked goods	Bread, filled pastry, and cake
Biscuit	Sandwich biscuit, chocolate coated biscuit
Breakfast cereal	Children breakfast cereal and hot cereal
Canned/preserved food	Canned tuna and canned sardine
Cheese	Unspreadable processed cheese
Chilled processed food	Chilled processed meat (sausages and beef ball)
Chocolate confectionery	Bagged chocolate and filled tablets
Dried processed food	Package rice and instant noodle
Milk products	Powder milk, fresh/pasteurized milk, flavored UHT milk drinks, condensed/evaporated milk
Frozen processed food	Frozen processed poultry (chicken nugget, cuts of boneless chicken coated, chicken sausages, seasoned chicken wins), frozen processed beef (meat ball), frozen processed fish (fish balls), frozen Chinese snack (dimsum)
Ice cream	Chocolate, strawberry, vanilla, rum, and raisin flavor
Yogurt	Drinking yogurt
Pasta	Dried pasta (macaroni and spaghetti)
Sauces, dressing, and condiments	Soy and chili sauces
Spreads and preserve	Chocolate, srikaya (egg and coconut milk based), fruit flavor.
Sweet and Savory Snacks	Chips, extruded snacks, and microwave pop corn

Source: Euromonitor

Entry Strategy

The best entry strategy is to sell directly to the food processors, to food ingredient importers, larger general importers, or to multinational head quarters, depending on the end user.

Primary imports for food processing, such as wheat to be milled locally and skim milk powder, are commonly imported directly by the food processor. Essential complementary inputs such as flavorings or preservatives and other ingredients are usually bought from a local importing agent because they are used in smaller quantities and often have limited shelf life. Other inputs, such as whey, pop-corn, soybean, and beef offal are imported by larger general importers. The large scale food and beverage industry also imports refined sugar because locally refined sugar is priced higher, supply from the local refineries is unreliable, and quality is inconsistent.

The Indonesian government controls imports of sugar by limiting the issuance of import permits to specific companies. Recently, GOI reduced the import period for the food and beverage industry to import refined sugar, from a 6-month period to a 2-month period.

Food processors that depend on a consistent supply of imported product may have an exclusive sales agreement with a local agent. Some companies may choose to act as importers if they find a better-priced alternative such as an exporter who uses Singapore as a distribution point.

Many multinational food processors operating in Indonesia must follow global product specifications. These companies have central purchasing offices, often in the United States or in Europe.

Investment Trends

The AFTA (ASEAN Free Trade Agreement) zone, which gives favored treatment to regional production, will create further competition from ASEAN members, but may offer some opportunities for U.S. suppliers as well. AFTA will make it easier for food processors based in one ASEAN country with good supporting investment facilities to distribute its products to neighboring countries. U.S. food ingredient suppliers should be able to ship food ingredient products in larger volumes to Asia and then transship to other countries that require smaller quantities, such as Indonesia. On the other hand as more Indonesian processors export, it will offer opportunities for increased sale of U.S. ingredients.

The challenges Indonesian manufacturers continue to face are unreliable and high priced electricity, disruption of liquefied petroleum gas (LPG) supply and distribution, high fuel prices, increasing labor costs, lack of infrastructure, and cheaper processed products from neighboring ASEAN countries and China. In addition, recently the prices of important inputs such as wheat, soybean, dairy, cooking oil, and beef increased.

There is a tendency among Indonesian packaged food and candy manufacturers to contract manufacturing out to processors on mainland China to avoid high production and raw material costs, such as labor and sugar. However, GOI has responded to recent problems with processed food produced in China by temporarily halting imports and confiscating product containing milk on the shelves.

Consumption Trends

The majority of consumers are price conscious. The majority of Indonesians spend half of their income on food, but only 10 percent is spent on processed food and beverages. To address consumer price concerns, producers are providing smaller package sizes and single-serve packaging, refill packaging, and no-frill products.

Best Market Prospects

Best market prospects include food-use soybeans, beef, cheese and other dairy products, flavorings and other inputs, poultry MDM (mechanically deboned meat), dehydrated potato products, fruit concentrates, bakery ingredients, and wheat flour as an alternative to rice for use in processing noodles and baked goods. Growth opportunities also exist for food ingredients that can be used for fortification.

D. Distribution System

The distribution system is complex due to the widespread and diverse nature of the country with its thousands of islands. In many cases, the infrastructure is insufficient to handle refrigerated products, especially outside of the major cities and island of Java. Most agents and distributors of imported finished food products and food ingredients have a local reach, so there are hundreds of wholesalers and millions of retailers.

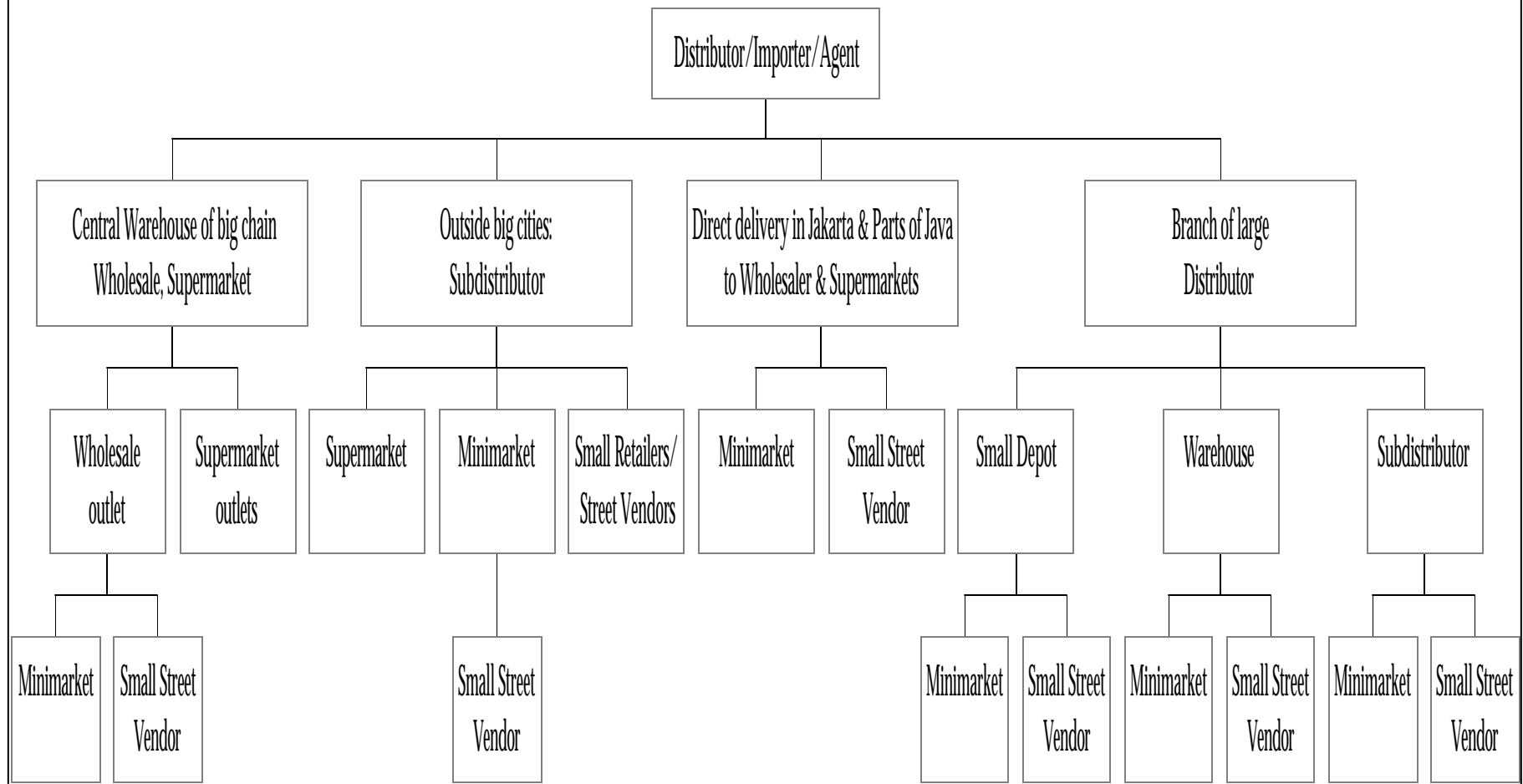
Inadequate ports are the single largest and most consistent complaint in every province among all levels of the distribution system. Ports have shallow drafts, which require smaller ships, inadequate loading and unloading facilities resulting in frequent congestion, unreliable shipping schedules, and an inadequate number of smaller ships serving eastern Indonesia, particularly during periods of bad weather. As a result, there are frequent shortages and firms hold higher than desired inventories, with the accompanying higher costs.

Imported products that enter the Indonesian market often move to a distributor or agent, who in turn, sells them directly to modern retail outlets, food service industry, and food and beverage manufacturers. Delivery of the products may be direct to the stores or to the warehousing facilities of the retailer, food service provider, or processor. Only a few retailers buy directly from foreign suppliers and assume responsibility for logistical functions. Major food processors tend to import directly while smaller operations tend to buy through local agents.

The trade in fresh fruit differs from other consumer-ready food products. Fresh fruit imports are dominated by trading houses that specialize in fruit. Fresh fruit will change hands several times before reaching the consumer, usually at the wet market or curbside fruit stands.

The poor distribution system makes it difficult for restaurants and retailers to get a consistent supply of quality food products. Sometimes distributors sell outdated products that were purchased inexpensively or a frozen product that was not stored correctly and later refrozen. In addition, restaurants and retailers must deal with a large number of distributors since most of the distributors carry only a handful of products or carry a limited supply.

Indonesian Food Sector: Distribution Channels



IV. BEST CONSUMER ORIENTED PRODUCT PROSPECTS

Best market prospects for imported product, as identified by FAS Jakarta based on The Indonesian Statistic World Trade Atlas website:

Product Category	2007 Import (\$mil)	2007 Import from US (\$mil)	5Yr. Avg Annual Import Growth (%)	Import Tariff Rates	Key Constraints to Market Development	Market Attractiveness for USA
Dairy Products excl cheese	857	116 (Mainly Non fat dry milk, Lactose, whey, butter milk, casein)	31.2	5% except Yogurt & SCM - 10% during 2006-2009	Competition from Australia and New Zealand	Demand for dairy processors, food & beverage industries, and bakeries are increasing
Fresh fruit	426	46 (Mainly Apples & Grapes)	17.2	5% except mandarin 25%	Competition from China, Thailand, Australia, South Africa, and Argentina. Recent regulations inhibit some US fresh fruit imports	Health awareness pushes the demand for quality fresh products
Processed fruit & Vegetables	77	29 (Mostly onion powder, French fries potato flakes, sauces, celery, garlic powder)	14.2	Mostly 5%, 10% for processed fruit during 2006-2009	Competition from China, Canada, Thailand, and Singapore	Increased consumption of fruit juice due to health awareness
Other consumer oriented food products	518	51 (Mainly food prep, canned food, mayonnaise, gelatin, starch, pastry, salad dressing)	15.8	5%	Competition from Malaysia, China, Thailand, Netherlands, Singapore, New Zealand, South Korea, France, Brazil, and Germany	Food service and food processors need more and consistent supply of products due to growth
Fish & Sea food	58	5 (Mostly crab, crab meat, & other seafood)	34	5% except fish canning - 10% during 2006-2009	Competition from Malaysia, China, Pakistan, Thailand, Japan, Singapore, and local products	High-end restaurants need non-tropical seafood products
Cheese	46	5 (fresh cheese, cheddar)	13.4	5%	Competition from Australia, New Zealand, France, and Philippines	Demand from the food industry, HRI and bakeries are increasing
Pet foods	10	4 (Mostly dog & cat food)	21.2	5%	Competition from Thailand and Australia	Demand exists for niche market
Tree nuts	6	2.2 (Mostly Almonds)	34	5%	Competition from India, China and local products	Fast-growing bakery industry needs

Fruit & vegetable Juice	10	2 (mix fruit juice)	24	10% during 2006-2009	Competition from Australia, Brazil, Singapore, Austria, and Japan	Health awareness creates demand for quality fresh products
Snack food excl nuts	42	0.5 (Mainly confectionary, potato chips, popcorn)	-9.4	5%	Competition from China, Malaysia, Switzerland, Thailand, Singapore	Retail industry development pushes sales of snack food products
Red meats fresh, chilled, frozen	150	0	31.2	5%	Competition from Australia, New Zealand, and Canada. Recent regulations only allowed certain US plan to export beef to Indonesia	High demand of prime beef for high-end restaurants and offal for the lower to mid-class food service industry

V. KEY CONTACTS AND FURTHER INFORMATION

Organization	Contact Person	Address	Phone	Fax
Government of Indonesia Contacts for Food & Beverage Control				
POM (National Agency for Drug and Food Control)	DR. Husniah Rubiana Thamrin Akib, MS., M.Kes, SpFk	Jl. Percetakan Negara 23, Jakarta Pusat, Indonesia	62-21-424-4688; 424-3605	62-21-425-0764
Ministry of Agriculture -Department of Agriculture- Directorate General of Livestock Services	Tjeppy D. Soedjana, Ph.D	Central Office of Agriculture, , C Bld, 6 th Floor, Departemen, Jl. Harsono R.M. No.3, Jakarta 12550, Indonesia	62-21-781-5580	62-21-781-5581
Ministry of Agriculture – Agency for Agricultural Quarantine	Ir. Syukur Iwantoro, MS., MBA – Director General.	1 st Floor, Building E, Jl. Harsono RM. No. 3, Ragunan, Jakarta 12550	T: 62-21 781-6481, 780-5641 to 44 ext 1103	F: 62-21-781-6481/ 6483 E-mail: syukur@deptan.go.id
Indonesian Trade Association Contact List				
APRINDO (Indonesian Retail Merchants Association)	Mr. Tutum Rahanta	E-Trade Building, ground floor, Jl. Wahid Hasyim No.55. Jakarta 10350, Indonesia	62-21-315-4241; 392-8545	62-21-3192-3267 E-mail: aprimdo@cbn.net.id
ASSIBSINDO (Indonesian Fruit & Vegetables Exporters & Importers Association)	Kafi Kurnia - Chairman	Jl. Kemang Raya No. 1, Jakarta 12160, Indonesia	62-21-721-1358	62-21-721-1357 E-mail: ajaib@cbn.net.id
ASPIDI (Association of Indonesian Meat Importers)	Mr. Thomas Sembiring, President	Jl. Raden Inten No. 82C, Duren Sawit Jakarta 13440	62-21-7033-0972/0973	62-21-8661-4162 E-mail: asp_1984@cbn.net.id
NAMPA (National Meat Producers Association)	Ir. Haniwar Syarif	Jl. Pembangunan II No. 27 Jatibening I, Pondok gede Bekasi 17412	62-21-9290-7948	62-8499-8279
APIKI (Indonesian Fish Cannery Association)	Hendri Sutandinata, MBA, Chairman	Jl. Cipinang Indah Raya No. 1, Jakarta 13420, Indonesia	62-21-819-6910	62-21-850-8587
IPS (Dairy Processor Association)	Mr. Sabana, Director & Mr. Syahlan Siregar (Secretary)	Wisma Nestle, 5 th . Arcadia Office Park, Jl. Letjen T.B. Simatupang Kav 88, Jakarta 12520	62-21-7883-6000 ext 1501	62-21- 7883-6001

GAPMMI (Indonesian Food & Beverage Association)	Mr. Thomas Darmawan	Building F, 2 nd Floor, Room 224A Ministry of Agriculture Jl. Harsono RM No. 3 Jakarta 12550	62-21-7032-2626/27	62-21-780-4347 E-mail: gapmmi@indosat.net.id www.gapmmi.or.id
Indonesian Cold Chain Association (ARPI/Assoc Rantai Pendingin Indonesia)	Ir. Hasanuddin Yasni, MM Executive Director	Graha Mustika Ratu Building, Mz Floor, Jl. Jend. Gatot Subroto Kav 74-75, Jakarta 12870	62-21-830-6609	62-21-830-6609 E-mail: arpi@arpionline.org ; arpi@cbn.net.id hsyasni@arpionline.org

U.S. Cooperator and MAP Participants				
Organization	Contact Person	Address	Phone	Fax
AgriSource Co., Ltd Regional representative for USA Dry Peas, Lentils & Chickpeas	Tim Welsh, Managing Director	Ambassador's Court, 4 th Floor, No. 416, 76/1 Soi Lang Suan, Ploenchit Road, Bangkok, Thailand 10330	(66-2) 251-8655 /6	(66-2) 251-0390 E-mail: agsource@loxinfo.co.th
Lieu Marketing Assoc. Pte. Ltd Regional representative for: California Pistachio Commission, California Table Grape Commission, California Tree Fruit Agreement, Pear Bureau Northwest, Raisin Administrative Committee, United States Potato Board, Wine Institute of California	Richard Lieu, Director	48 Toh Guan Road East # 02-129 Enterprise Hub Singapore 608586	(65) 6515-6113	(65) 6278-4372 E-mail: gabaric@singnet.com.sg
Peka Consult, Inc. Country representative for Washington Apple Commission, California Table Grape Commission, Pear Bureau Northwest, Sun-maid raisin, Sunkist Pistachious	Kafi Kurnia, Leonard Tjahjadi	Jl. Kemang Raya No. 1, Jakarta, Indonesia 12160 Wijaya Grand Center Blok D 14; Jl. Wijaya II; Jakarta 12120	(62-21) 721-1358 (62-21) 720-5077/6767	(62-21) 721-1357 (62-21) 720-5005 E-mail: peka@indo.net.id

U.S. Cooperator and MAP Participants				
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PT Swaco Prima Windutama Country representative for U.S. Grain Council and American Soybean Association	A. Ali Basry, Director	Wisma Mitra Sunter #201, Blok C-2, Blvd Mitra Sunter, Jl. Yos Sudarso Kav 89, Jakarta, Indonesia 14350	(62-21) 651-4752/53	(62-21) 6583-1087 E-mail: asagrain@indosat.net.id
PacRim Assoc. Ltd Regional Representative for the U.S. Dairy Export Council	Dan Fitzgerald, Director	P.O. Box 1492, Nana Post Office, Bangkok 10112, Thailand	(66-2) 254-3768	(66-2) 254-3769 E-mail: usdec@pacrim.asia
U.S. Meat Export Federation	Joel Haggard _ Senior Vice President, Asia Pacific Region	101 Leighton Road, 8 th Floor, Zoroastrian Building, Causeway Bay, Hongkong	(852) 2890-7408	(852) 2576-7345 E-mail: hongkong@usmef.org www.usmef.org
	Sabrina, Asean Director	39 Tyrwhitt Road, 3 rd Floor Suite, Singapore 207538	(65) 6733-4255/6	(65) 6732-1977 E-mail: aingapore@usmef.com.sg
USA Poultry & Egg Export Council	Margaret Say Regional Director	# 15-04 Liat Towers, 541 Orchard Road, Singapore 238881	(65) 6737-1726	(65) 6737-1727 E-mail: usapeec_sing@pacific.net.sg
U.S. Wheat Associates	Mark Samson Vice President for South Asia	# 15-02 Liat Towers, 541 Orchard Road, Singapore 238881	(65) 6737-4311	(65) 6737-9359 E-mail: msamson@uswheat.org
	Mr. Husein Sutadisastra Indonesian Representative	C/O HBS & Associates Jl. Saung Gintung No. C-2, Cirendeu Jakarta 15419	62-21-749-1455	62-21-749-1455 Email: hbsuta@indo.net.id
American Soybean Association	John Lindblom Regional Director	#11-03 Liat Towers, 541 Orchard Rd., Singapore 238881	(65) 6737-6233	(65) 6 737-5849 E-mail: asaspore@pacific.net.sg
U.S. Grains Council	Adel Yusupov - Regional Director	Suite 3B-7-3A, Block 3B Level 7, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia	(60-3) 2273 6826	(60-3) 2273 2052 E-mail: usgkl@usgc.com.my

VI. OTHER RELEVANT REPORTS

1. Food and Agricultural Import Regulation and Standard Annual Report (ID8022):
<http://intranetapps/GainFiles/200808/146295366.doc>
2. Export Certificate FAIRS Annual Report (ID7032):
<http://www.fas.usda.gov/gainfiles/200710/146292698.pdf>
3. Retail Sector Update (ID7036):
<http://www.fas.usda.gov/gainfiles/200711/146293001.pdf>
4. Food Processing Ingredients Update (ID7008):
<http://www.fas.usda.gov/gainfiles/200709/146292532.pdf>
5. Product Brief: Bakery Ingredients (ID6013):
<http://www.fas.usda.gov/gainfiles/200606/146198046.pdf>
6. Sugar Annual Report (ID8010):
<http://www.fas.usda.gov/gainfiles/200804/146294247.pdf>
7. Sugar Update (ID8025)
<http://www.fas.usda.gov/gainfiles/200810/146296062.pdf>
8. Grain & Feed Annual Report (ID8005):
<http://www.fas.usda.gov/gainfiles/200804/146294148.pdf>
9. Oil seed Annual Report (ID8002):
<http://www.fas.usda.gov/gainfiles/200802/146293732.pdf>
10. FAIRS Subject report: Indonesian Halal Trip Report (ID8017)
<http://www.fas.usda.gov/gainfiles/200806/146294960.pdf>
11. Dairy and Products Annual Report (ID8028)
<http://www.fas.usda.gov/gainfiles/200810/146296192.pdf>

APPENDIX I. STATISTIC

TABLE A. KEY TRADE & DEMOGRAPHIC INFORMATION

Item	Import from the World (\$ million)			U.S. Market Share (%)		
	2005	2006	2007	2005	2006	2007
Agricultural Products	5,333	6,138	8,845	16	17	17
Consumer-Oriented Agr.	1,403	1,706	2,378	12	11	11
Edible Fish & Seafood Products	35	44	58	7	5	9
Demographic Information: Indonesia						
2007, Total Population (million)			225	Annual Growth Rate in 2000-2006		1.34%
2005, Urban Population (million)			107.6	Annual Growth Rate in 2005-2010 (predicted)		3.8%
Number of major Metropolitan Areas			10			
2007, Size of the Middle Class (millions)			22-33	Growth Rate in 2007		N/A
2007, Per Capita Gross Domestic Product			US \$1,946			
2007, Unemployment Rate			10.5%			
2006, Per Capita Average Food Expenditures			US \$204*			
February 2007, Percent of Female Population Employed			59%			
* Average US \$1=IDR 9,158						

Source: Central Bureau of Statistic (BPS)

Exchange Rate (Rp./1US \$) on Period Month Ending Basis												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2006	9,369	9,280	9,117	8,826	9,212	9,353	9,124	9,119	9,205	9,110	9,165	9,020
2007	9,090	9,160	9,118	9,083	8,828	9,054	9,186	9,410	9,137	9,379	9,376	9,419
2008	9,304	9,051	9,199	9,234	9,318	9,225	9,118	9,153	9,378	9,708		

Source: Central Bureau of Statistic (BPS-Badan Pusat Statistik) and Business Indonesia Daily Newspaper

TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS

Indonesian Imports (in million of dollars)	Import from the World			Import from U.S.			U.S. Market Share (%)		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
CONSUMER-ORIENTED AGRICULTURAL TOTAL	1,403	1,706	2,378	164	195	259	12	11	11
Snack Foods (Excl. Nuts)	49	47	42	1	0	0	1	1	1
Breakfast cereals & Pancake Mix	9	9	11	1	1	1	8	8	6
Red Meats, Fresh/Chilled/Frozen	77	86	150	11	0	0	14	0	0
Red Meats, Prepared/Preserved	8	14	11	0	0	1	0	0	6
Poultry Meat	4	5	8	0	0	0	9	4	5
Dairy Products (Excl. Cheese)	508	547	857	61	80	116	12	15	14
Cheese	28	31	46	2	3	5	5	11	11
Eggs & Products	3	4	6	0	1	1	2	18	12
Fresh Fruit	212	318	426	38	40	46	18	13	11
Fresh Vegetables	100	157	198	1	1	1	1	1	0
Processed Fruit & Vegetables	53	66	77	16	24	29	30	37	38
Fruit & vegetable Juice	12	8	10	0	1	2	3	9	15
Tree Nuts	3	6	6	2	3	2	52	42	38
Wine & Beer	0	0	0	0	0	0	0	0	0
Nursery Products & Cut Flowers	2	2	3	0	0	0	1	2	1
Pet Foods (Dog & Cat Food)	6	8	10	2	3	4	34	39	40
Other Consumer-Oriented Products	328	398	518	30	40	51	9	10	10
FISH & SEAFOOD PRODUCTS	35	44	58	3	2	5	7	5	9
Salmon	3	3	3	0	0	0	0	2	1
Surimi	0	0	2	0	0	0	0	27	17
Crustaceans	10	8	9	2	1	3	17	17	37
Groundfish & Flatfish	6	4	5	0	0	0	2	1	2
Molluscs	3	3	5	0	0	0	8	9	7
Other Fishery Products	14	26	29	1	0	1	5	1	2
AGRICULTURAL PRODUCTS TOTAL	5,333	6,138	8,845	864	1,038	1,500	16	17	17
AGRICULTURAL, FISH & FORRESTRY TOTAL	5,557	6,405	9,157	869	1,042	1,506	16	16	16

Source: World Trade Atlas

TABLE C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

CONSUMER-ORIENTED AGRICULTURAL TOTAL - 400 (\$1,000)				FISH & SEAFOOD PRODUCTS-700 (\$1,000)			
	2005	2006	2007		2005	2006	2007
China (Peoples Republic)	224,271	362,091	464,727	Malaysia	3,166	3,446	8,140

of)							
New Zealand	153,163	195,695	328,478	China (Peoples Republic of)	3,793	9,605	6,538
Australia	195,989	215,228	285,575	Pakistan	336	473	6,100
United States	164,676	195,838	259,475	Thailand	1,516	3,836	5,381
Thailand	103,278	134,874	210,385	Japan	3,668	4,492	4,509
Malaysia	65,874	81,807	133,544	Singapore	6,501	4,430	2,913
Netherlands	93,209	92,469	123,738	Norway	1,475	1,319	1,812
Philippines	72,307	75,615	98,153	Taiwan	887	1,687	1,599
Singapore	88,576	99,144	80,431	Myanmar	897	469	1,507
France	27,609	31,906	51,808	India	792	247	1,460
Germany	18,076	17,628	34,952	Vietnam	624	1,529	1,385
Canada	19,262	14,980	27,139	Netherlands	47	199	1,273
Belgium	10,012	11,380	26,195	Chile	561	1,015	1,243
Ireland	13,361	10,017	25,728	Australia	1,048	442	1,022
Brazil	7,942	9,450	22,046	Korea South	687	790	852
Other	145,862	158,054	205,441	Other	9,405	10,510	14,312
World	1,403,467	1,706,176	2,377,815	World	35,403	44,489	53,515

Source: Global Trade Atlas

APPENDIX II. CALENDAR OR TRADE SHOWS IN INDONESIA

Name of Event	FOOD & HOTEL INDONESIA 2009
Event Location	Jakarta International Exhibition Center, Kemayoran, Indonesia
Industry theme	The 10 th International Hotel, Catering Equipment, Food and Drink Exhibition; The 7th International Retail Technology, Equipment, Display, and Storage Exhibition
Dates of Event	April 15-18, 2009
Type of Event	International Exhibition
Name of Organizer	P.T. Pamerindo Buana Abadi
Phone of Organizer	(62-21) 316-2001
Fax of Organizer	(62-21) 316-1983/4
E-mail of Organizer	wiwiek@pamerindo.com
Web site	www.pamerindo.com

Name of Event	FOOD & HOTEL INDONESIA 2010
Event Location	Bali International Convention Center, Nusa Dua - Bali, Indonesia
Industry theme	The 7 th International Exhibition for Equipment, Food, Beverages and Services to Support Indonesia's Tourism and Hospitality Industries; The 8 th International Retail

	Technology, Equipment, Display, and Storage Exhibition
Dates of Event	March 11-13, 2010
Type of Event	International Exhibition
Name of Organizer	P.T. Pamerindo Buana Abadi
Phone of Organizer	(62-21) 316-2001
Fax of Organizer	(62-21) 316-1983/4
E-mail of Organizer	wiwiek@pamerindo.com
Web site	www.pamerindo.com